



GOVERNMENT OF GUAM  
**RETIREMENT FUND**  
 STABILITY · SECURITY · REWARDS

**Lourdes A. Leon Guerrero**  
 Governor

**Joshua F. Tenorio**  
 Lieutenant Governor

**Paula M. Blas**  
 Director

*Trustees:*

**Wilfred P. Leon Guerrero, Ed.D.**  
 Chairman

**Antolina S. Leon Guerrero**  
 Vice Chair

**Katherine T.E. Taitano**  
 Secretary  
 Chair, Members and Benefits Committee

**Artemio R.A. Hernandez, Ph.D.**  
 Treasurer  
 Chair, Investment Committee

**Thomas H. San Agustin**  
 Trustee

**David N. Sanford**  
 Trustee

**George A. Santos**  
 Trustee

**BOARD OF TRUSTEES**  
**Regular Meeting**  
 Friday, March 10, 2023, 12:30 P.M.  
 Retirement Fund Conference Room

**MINUTES**

**DEFINED BENEFIT**

**I. ATTENDANCE, QUORUM, AND CALL TO ORDER**

After determining a quorum was present, the Retirement Fund Board of Trustees Regular Meeting for the Defined Benefit Plan was called to order at 1:02 p.m. Friday, March 10, 2023, in the Retirement Fund Conference Room. Chairman Wilfred P. Leon Guerrero officiated.

**Board of Trustees Present:**

Wilfred P. Leon Guerrero, Chairman  
 Antolina S. Leon Guerrero, Vice Chair  
 Artemio R.A. Hernandez, Treasurer  
 Thomas H. San Agustin, Trustee  
 David N. Sanford, Trustee  
 George A. Santos, Trustee

**Board of Trustees Absent:**

Katherine T.E. Taitano, Secretary (*Excused*)

**Staff Present:**

Paula Blas, Director  
 Jackie Blas, Recording Secretary

**Public Present:**

Robert Camacho, Acting Director, Department of Corrections  
 Raymond Aguon Naputi

## II. REVIEW AND APPROVAL OF BOARD MINUTES

### A. February 10, 2023 Regular Meeting

Vice Chair Antolina Leon Guerrero, seconded by Trustee Thomas San Agustin, moved to approve the Minutes of the February 10, 2023 Regular Meeting, subject to technical corrections. Without objection, the motion passed.

## III. CORRESPONDENCE

None

## IV. DIRECTOR'S REPORT - EXECUTIVE SUMMARY

1. *Candelaria Rios, et al. vs. Joseph Ada, et al. (Special Proceeding Case No. SP206-93)* - The Retirement Fund maintains a list of deceased COLA Awardees who did not name a beneficiary, or whose beneficiary may be deceased. COLA award disbursements for these individuals will be made to their respective estates. Interest accrual ceased as of September 30, 2011 for those Awardees and/or Beneficiaries who are deceased and their beneficiaries have not been located or identified or probates are unresolved.

Director Paula Blas stated that there are 403 deceased retirees. There is a balance of about \$4 Million. Chairman Leon Guerrero asked how much time is given to those who haven't come forward. Director Blas stated that the ones that are left are all deceased. It would be their beneficiaries or heirs that would have to come forward to make a claim for the estate of the deceased retiree or on behalf of the named beneficiary. Director Blas stated that she will generate a list of deceased retirees showing their date of retirement and department. Trustee George Santos suggested to ask Legal Counsel to check if there's an administrative limitation as far as putting a closure on the Retirement Fund's administrative responsibility. Vice Chair Antolina Leon Guerrero asked whether the idea is to check with Legal Counsel and the Department of Administration (DOA) to see how we might bring closure to the Retirement Fund's administrative role. Director Blas stated that she will communicate with Legal Counsel regarding this matter.

2. *Bernstein Litowitz Berger and Grossmann (BLBG)* - BLBG's Litigation Status Report dated March 3, 2023 on the following lawsuits is provided for the Board's information. These cases are highly confidential and BLBG asked that the cases not be discussed in a public forum.

- **Apollo Education Group**
- **EQT Corporation**

### Financial Report

1. *Contributions* - Director Blas stated that as of today, all agencies are current with their Fiscal Year 2023 employee and employer contributions.

2. *Financial Statements* - Director Blas stated that the books for the month ended February 28, 2023 are scheduled to close on March 24, 2023.

3. *Fiscal Year 2023 Retirees' Supplemental Benefits* - Director Blas stated that supplemental benefits for retirees and survivors for the month of March 2023 will be paid by the end of the month.

4. **Fiscal Year 2023 Medicare Reimbursements** - Director Blas stated that the Retirement Fund received the March 2023 allotment from the General Fund and reimbursements were processed accordingly.

## V. LEGAL COUNSEL'S REPORT

None

## VI. TREASURER'S REPORT OF FINANCIAL STATUS

Treasurer Artemio Hernandez stated that he would like to recommend to extend the current monthly drawdown authorization of up to \$7 Million through June 2023. A copy of the Cash Flow Statement is provided for the Board's review.

**Treasurer Artemio Hernandez, seconded by Trustee Thomas San Agustin, moved to approve the recommendation to extend the current monthly drawdown authority of up to \$7 Million through June 2023. Without objection, the motion passed.**

Treasurer Hernandez inquired about the audit. Director Blas stated that the audit is almost completed. Treasurer Hernandez stated that the issuance of the final audit will be reported at next month's Board Meeting.

## VII. STANDING COMMITTEE REPORTS

### A. Investment Committee

Treasurer Hernandez reported that there was no Investment Committee Meeting this month. Treasurer Hernandez stated that as of March 7, 2023, the size of the Retirement Fund's portfolio was \$1,909,995,277.

**Informational Items:** A summary of the following is provided for review and informational purposes.

1. Asset Allocation Summaries
2. Income Summary
3. Securities Lending
4. 5-Year Plan

Vice Chair Leon Guerrero asked when is Northern Trust up for review. Director Blas stated that it is usually in November.

**Next Quarterly Performance Review** – Treasurer Hernandez stated that the next Quarterly Performance Review is scheduled for May 17 and 18, 2023. Annual reviews will be conducted for the following Fixed Income and High Yield Managers:

- Garcia Hamilton & Associates
- Income Research & Management
- Hotchkis & Wiley Capital Management
- Nomura Asset Management
- Aegon Asset Management

## **B. Members and Benefits Committee**

Trustee Santos presented the Committee's March 2023 report to the Board of Trustees.

**Trustee George Santos, seconded by Vice Chair Antolina Leon Guerrero, moved to approve the recommendation of the Members and Benefits Committee contained on Pages 4 through 19 of the March 2023 report. Without objection, the motion passed.**

Trustee Santos informed the Board that former Board of Trustees, Dr. James Taylor, passed away. Dr. Taylor was one of the Retirement Fund's first elected Board active member.

At this time Chairman Leon Guerrero asked Vice Chair Leon Guerrero to chair the meeting.

### **1. Disability Case No. 22-003**

Acting Chair Leon Guerrero stated that the applicant is a 48 year old Correction Officer with the Department of Corrections with 27+ years of service. The date of application for disability is June 1, 2022. The reason for application is Severe Anxiety and Depression, Heart Disease after Open Heart Surgery, Spinal Nerve Degeneration, Sleep Apneas, and Hypertension. The applicant was examined by two Independent Medical Examiners (IMEs): Dr. Vincent Duenas on December 8, 2022 and Dr. E. Fred Schroeder on January 19, 2023. Dr. Duenas gave a rating of 47% whole-person impairment and indicated that the impairment is permanent and precludes the applicant from gainful work. Dr. Schroeder gave a rating of 79% whole-person impairment and also indicated that the impairment is permanent and precludes the applicant from gainful work.

At this time Acting Chair Leon Guerrero asked whether the applicant is present, noting that if the applicant would like to address the Board, he/she would have to waive his/her right to the privacy of his/her medical records and he/she must state his/her name for the record. Acting Chair Leon Guerrero recognized an individual who came forward. Acting Chair Leon Guerrero asked the individual to please state his name for the record. The individual stated that his name is Robert Camacho.

Mr. Camacho stated that he is the Acting Director of the Department of Corrections. Acting Director Camacho stated that he will also be speaking on behalf of the Guam Peace Officer Standards and Training (POST) Commission. The POST Commission determines the standards of which an officer performs his duty, the types of training and what certifies him as a peace officer. The officer must maintain his physical ability and mental ability as a law enforcement officer. Acting Director Camacho stated that Officers Raymond Naputi and Joaquin Pangelinan are unable to perform the requirement of the annual physical fitness qualification test to continue to be certified as peace officers. During the physical fitness test, Officer Pangelinan suffered a heart attack and is unable to perform his duties with his current condition. Acting Director Camacho stated that the two officers are unable to perform their duties in dealing with 760 inmates in a volatile environment. Officer Pangelinan was placed on light administrative duty, but he was having a hard time with his medical condition; and Officer Naputi needs a heart transplant. Acting Director Camacho asked the Board to please consider Officer Naputi and Officer Pangelinan's application for disability.

Chairman Leon Guerrero inquired about regular retirement. Director Blas stated that it's at age 60 with 30 years of service. Acting Chair Leon Guerrero thanked Acting Director Camacho for addressing the Board. Acting Chair Leon Guerrero stated that Acting Director Camacho had mentioned that Officer Pangelinan was placed on minor administrative work and it was still difficult for him to perform. Mr. Camacho stated that Officer Pangelinan was going through some emotional issues and was in pain. Acting Chair Leon Guerrero stated that the law does state that the impairment shall be one that precludes a person from any gainful work. Trustee Thomas San Agustin asked whether the agility test a requirement. Acting Director Camacho replied, "Yes, and if the test is not passed within a year, the officer will be decertified. Treasurer Hernandez thanked Acting Director Camacho for explaining things from management's perspective. The Board's goal is to review the applications from the members and the reports from the Independent Medical Examiners and make a determination on whether or not the applicant has a total and permanent disability. Treasurer Hernandez stated that it's good to understand from Acting Director Camacho's perspective how he's been able to see that the officers were unable to pass the required physical fitness test and that he already attempted to try to have the officers do some light work.

Acting Chair Leon Guerrero noted for the record that she acknowledges that while there is a difference in the estimated percentages of impairment from the two physicians, but in reading the full report and listening to Acting Director Camacho, she would like to make a motion that the Board approve disability application 22-003.

**Acting Chair Antolina Leon Guerrero, seconded by Trustee George Santos, moved to approve a full disability pension for Disability Case No. 22-003, based on the findings of the two (2) Independent Medical Examiners (IMEs) and the review of records. Votes as follows: Yes Votes – Trustee Thomas San Agustin, Trustee David Sanford, Treasurer Artemio Hernandez, Chairman Wilfred Leon Guerrero, Trustee George Santos, and Acting Chair Antolina Leon Guerrero. With six (6) "Yes" votes, the motion unanimously passed. Secretary Katherine Taitano was absent.**

## **2. Disability Case No. 22-007**

Acting Chair Leon Guerrero stated that the applicant is a 55 year old Correction Officer with the Department of Corrections with 26 years of service. The date of application for disability is October 20, 2022. The reason for application is Heart Failure. The applicant was examined by two Independent Medical Examiners (IMEs): Dr. Vincent Duenas on December 27, 2022 and Dr. E. Fred Schroeder on January 19, 2023. Dr. Duenas gave a rating of 79% whole-person impairment and indicated that the impairment is permanent and precludes the applicant from gainful work. Dr. Schroeder gave a rating of 79% whole-person impairment and also indicated that the impairment is permanent and precludes the applicant from gainful work.

At this time Acting Chair Leon Guerrero asked whether the applicant is present, noting that if the applicant would like to address the Board, he/she would have to waive his/her right to the privacy of his/her medical records and he/she must state his/her name for the record. Acting Chair Leon Guerrero recognized an individual who came forward. Acting Chair Leon Guerrero asked the individual to please state his name for the record. The individual stated that his name is Raymond Aguon Naputi.

Mr. Naputi stated that he is a United States Air Force veteran. He started employment with the Department of Corrections since 1991. Mr. Naputi stated that he suffered three heart attacks last year. He was in Guam Memorial Hospital (GMH) Intensive Care Unit and was referred off-island to Los Angeles. Mr. Naputi stated that a normal heart function his age is 65% or higher, but through pre examinations, it was discovered that his heart was only producing 11%. Heart transplants are not performed on individuals with a heart function of 25% or less, so it was determined that he can't go through the operation. Mr. Naputi stated that four stents were implanted and his heart function went from 11% up to 20%.

Mr. Naputi stated that after he was discharged from the hospital, he wanted to come back home. In order for his doctor to approve for him to return home, he needed a defibrillator vest, which his insurance carrier does not cover. Mr. Naputi stated that his doctor reluctantly gave his okay, but he had to sign a waiver to return to Guam. He was informed by his cardiologist at GMH that if he does not get a heart transplant, at worst he has three years and at best five years. Mr. Naputi stated that he needs to relocate to Texas for his heart transplant. Mr. Naputi asked the Board to please consider his application for disability.

**Acting Chair Antolina Leon Guerrero, seconded by Trustee George Santos, moved to approve a full disability pension for Disability Case No. 22-007, based on the findings of the two (2) Independent Medical Examiners (IMEs) and the review of records. Votes as follows: Yes Votes – Trustee Thomas San Agustin, Trustee David Sanford, Treasurer Artemio Hernandez, Chairman Wilfred Leon Guerrero, Trustee George Santos, and Acting Chair Antolina Leon Guerrero. With six (6) “Yes” votes, the motion unanimously passed. Secretary Katherine Taitano was absent.**

At this time, Acting Chair Leon Guerrero turned the floor back to Chairman Leon Guerrero.

#### **VIII. OLD BUSINESS**

None

#### **IX. NEW BUSINESS**

None

#### **X. OPEN DISCUSSION / GENERAL PUBLIC INPUT**

Treasurer Hernandez stated that a couple of retirees are requesting for a Government of Guam Retirement Fund Retiree Identification Card. Treasurer Hernandez is wondering if that is something that could be considered. Vice Chair Leon Guerrero asked what would the card be used for. Treasurer Hernandez stated that it may be used for a discount at some establishments. Treasurer Hernandez stated that this is something to consider. Vice Chair Leon Guerrero stated that the M&B Committee will look into it.

**XI. ANNOUNCEMENTS**

None

**XII. ADJOURNMENT**

**There being no further business before the Board for the Defined Benefit Plan, on motion of Trustee George Santos, seconded by Treasurer Artemio Hernandez, and without objection, the meeting was adjourned at 1:56 p.m. Motion passed.**

**I hereby certify that the foregoing is a full, true and correct copy of the Minutes of March 10, 2023 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on April 21, 2023.**



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**KATHERINE T.E. TAITANO, Board Secretary**

**RECORDING SECRETARY:**



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**Jackie Blas**